

C. DUKES SCOTT
EXECUTIVE DIRECTOR

P.O. Box 11263
Columbia, S.C. 29211



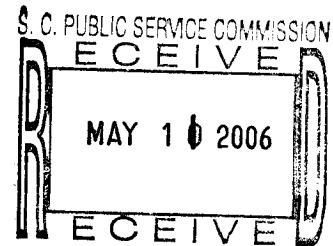
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179392
DAN F. ARNETT
CHIEF OF STAFF

VIA U.S. MAIL

May 9, 2006

John M.S. Hoefler, Esquire
Willoughby & Hoefler, P.A.
PO Box 8416
Columbia, SC 29202-8416



RE: Application of Carolina Water Service, Incorporated for Adjustment of Rates and
Charges for the Provision of Water and Sewer Service
Docket No. 2006-92-WS

Dear Mr. Hoefler:

Please find enclosed and served on you the Office of Regulatory Staff's Second Continuing Data Requests in the above referenced matter. Please let me know if you have any questions.

Sincerely,

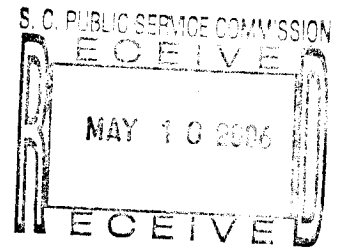
C. Lessie Hammonds

CLH/pjm

Enclosure

cc: Mr. Charles L.A. Terreni

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2006- 92 -W/S



IN RE: Application of Carolina Water)	
Service, Inc. for adjustment of rates)	Office of Regulatory Staff's
and charges for the provision of)	Second Continuing Data Request
water and sewer service.)	
_____)	

**TO: JOHN M. S. HOEFER, ESQUIRE, ATTORNEY FOR THE APPLICANT,
CAROLINA WATER SERVICE, INC. ("CWS" or "the company")**

INSTRUCTIONS

The Office of Regulatory Staff hereby requests, pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2003), that the Applicant answer the following data requests in writing and under oath and serve the undersigned with the answer within ten (10) days after service of this Data Request at the Office of Regulatory Staff, 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. If you are unable to respond to any of the data requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these data requests, "identify" means, when asked to identify a person, to provide the full name, title, and current address and telephone number of the person. When asked to identify or provide a document, "identify" and "provide" means to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, you may attach to your responses a copy of the document and identify the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to,

statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings. As used in this data request, "address" means mailing address and business address.

Wherever in this data request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS HEREIN REQUESTED:

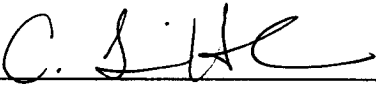
- A. That all information shall be provided to the undersigned in the format as requested.
- B. That all responses to the requests below be labeled using the same numbers as used herein.
- C. That each of the enumerated data requests be reproduced at the beginning of each of the responses.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but instead, that the information be reproduced and placed in the data request in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.
- F. That all exhibits be reduced to 8 ½" x 11" format, where practical.
- G. That the requested information be bound in ring binders (loose leaf notebooks) or otherwise suitably bound.
- H. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each response be indicated.
- I. That the Company provide to the Office of Regulatory Staff two copies of the responses to this data request, in addition to providing responses in an electronic format, as soon as possible but no later than ten (10) days after service thereof.

- J. If the response to any data request is that the information requested is not currently available, please state when the information requested will be available.
- K. This data request shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.

QUESTIONS

- 2.1 Explain Water Service Corporation's process for the allocation of administrative and executive salaries from the Northbrook, Illinois office to the Utilities, Inc. subsidiaries. What are administrative capitalized salaries, and how are these salaries allocated to the subsidiaries? List the employees whose salaries are booked through the distribution of common expenses and the employees whose salaries are directly assigned.
- 2.2 Please identify which Utilities, Inc. subsidiaries maintain continuing property records in the manner consistent with ORS's Data Request 1.40. Please indicate which subsidiaries have been obligated to maintain continuing property records pursuant to any settlement agreements or orders in states other than South Carolina and include reference to such agreements or orders by identifying the state, docket number, order number and date of the agreement or order.
- 2.3 For any Utilities, Inc. subsidiary that has not maintained continuing property records, such as CWS, please explain the resources and procedures that would be necessary to implement a system for maintaining continuing property records.
- 2.4 Provide a copy of any presentation material that Utilities, Inc. (or any of its subsidiaries) has made to AIG Global Investment Group, Nuon USA, Nuon Global Solutions USA, Hydro Star or Highstar II in connection with the purchase of Nuon USA by Hydro Star. Include any presentations or summaries referring to CWS that have been made regarding the earnings and/or earnings potential of CWS.
- 2.5 What are the anticipated capital projects planned by CWS within the next three years and estimated at \$100,000 or more? How will these projects be financed?
- 2.6 Does the value of CWS's non-traded stock change from year to year? If so, please provide and explain any such changes for the past three years.
- 2.7 What change in profit does CWS anticipate in the next three years?

May 9, 2006



C. Lessie Hammonds, Esquire

Shannon B. Hudson, Esquire

Office of Regulatory Staff

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